The Emergence and Governance of Euroregions: The Case of the Euregio on the Dutch-German Border.

Markus Perkmann
Fellow at the Advanced Institute of Management Research (AIM) Wolfson School Loughborough University

Universitat Autònoma de Barcelona
Edifici E-1
08193 Bellaterra
Barcelona (España)
1. The EUREGIO

With a history dating back to the 1950s, the EUREGIO is among the oldest Euroregions in Europe. It can be considered as a successful case of a cross-border region (CBR) in the sense that it has firmly established itself as a border agency within its stretch of the Dutch-German border area. The EUREGIO has also been one of the main protagonists behind the Association of European Border Regions (AEBR) that over the last decades acted to spread the Euroregion model across the European territory.

This chapter has several objectives. Firstly, it introduces the case of the EUREGIO and presents evidence on its history, organisational set-up and policies.\(^1\) Secondly, it analyses the context conditions under which the EUREGIO emerged and the governance structures that were created as a result. Particular emphasis is put on the position and role of the EUREGIO within the wider context of the European multi-level governance framework generated by EU cohesion policy. The chapter concludes with an attempt to evaluate the success and impact of the EUREGIO and a discussion of the challenges related to the EUREGIO’s dual role as representative of local authority interests and EU cohesion policy implementation agency.

2. A Short History of the EUREGIO

The origins of the EUREGIO date back to 1958 when local authorities on both sides of the Dutch-German border organised the first cross-border conference.\(^2\) This event had been preceded by attempts of neighbouring local authorities to collaborate. An inter-municipal association on the German side, the “Interessensgemeinschaft Rhein-Ems”

\(^1\) The empirical evidence on the EUREGIO is derived from the author’s fieldwork (involving 21 formal interviews carried out between 1998-2005), extensive policy documentation as well as the secondary literature. The latter includes primarily the work of Schack (1998), and additionally, Aykaç (1994); Denters, Schobben and van der Veen (1998); Murphy (1993); Goinga (1995); Heineberg and Temlitz (1998); IRS (1994), Bergerat (2002).

\(^2\) A common organisational body was only established in 1965 when the “EUREGIO” label was taken from the denomination of an exhibition.
had been founded in 1954 by local politicians of the Westmünsterland and the Grafschaft Bentheim and Lingen Kreise. Among its objectives were to address the restructuring problems in the textile sector and improve the local and regional infrastructures. In 1962, the more informal Interessensgemeinschaft was replaced by the “Kommunalgemeinschaft Weser-Ems”, a public law inter-municipal body. A similar process of intermunicipal integration occurred in the adjoining Dutch border area where the municipalities in the areas of Twente and Gelderland founded the an association³ with the explicit objective of co-operating more closely with the Interessensgemeinschaft Rhein-Ems (later Kommunalgemeinschaft Rhein-Ems). This example was followed by a second association, the Samenwerkingsverband Oost-Gelderland (today Regio Achterhoek). Today, the Kommunalgemeinschaft Rhein-Ems, the Regio Twente and the Regio Achterhoek together form the EUREGIO.

These inter-municipal bodies subsequently became the major agents driving cross-border co-operation and the formation of the EUREGIO. The emerging organisation was mainly pre-occupied with pressing issues such as economic marginalisation and substandard infrastructure. In order to animate these fledgling cross-border coalitions, the partners mobilised resources via a variety of channels, initially by approaching higher level authorities such as the German state authorities, central governments and supranational agencies that were emerging at this time in Europe.

In this way, by pooling the political weight of several German districts (Kreise), together with the corresponding entities (regios) on the Dutch side, it was hoped to give the area a stronger representation within higher-level government. As one participant recalls: “we mobilised all the MPs [member of parliament] of this area and got them to pursue the interests of this area in transport policy, education policy etc; sometimes, we sent off twelve of them [to central government departments]”. For instance, they lobbied successfully for the westward diversion of the A1 motorway and the construction of another motorway.

The EUREGIO “Work Group” (today: Board) was founded in 1966 to operate as the informal board of the cross-border region. On the basis of regular meetings, it

³ Belangengemeenschap Twente-Gelderland, later Samenwerkingsverband Twente, today Regio Twente.
attempted to shift the EUREGIO’s work from purely project-based contacts towards a programmatic collaboration. An important event was the establishment of the Alfred Mozer Commission in 1970, a body responsible for cross-border initiatives in the cultural field. At the same time, a secretariat was established comprising two units on each side of the border and funded by membership fees. Two studies, in the fields of culture and economic affairs respectively, gave the secretariats a programmatic basis for the further development of the EUREGIO.

In the mid-seventies, the Work Group was given a formal basis by means of a statute (\textit{Satzung}), and a common action programme was developed. This institutionalisation process culminated in the EUREGIO Council in 1978, the first cross-border regional parliamentary assembly in Europe constituted by the political delegates of the member authorities.

In 1985, the separate secretariats were merged into a single secretariat, located in the border town of Gronau (DE), employing both Dutch and German staff. On the programmatic side, a “regional cross-border action programme” was presented in 1987, outlining the general strategy for the EUREGIO for a twenty year period (NEI nd). The programme had been initiated via an agreement in 1984 between the German Federal ministry of economics, the Dutch ministry of economics and the Länder NRW and Lower Saxony (Niedersachsen). Funding was also provided by the European Commission. A Steering Committee was established, involving the partners in this agreement as well as the provinces, districts (\textit{Bezirksregierungen}) and the EUREGIO. The action programme contained an economic and social analysis of the programme areas, and listed a series of measures aimed at promoting their socio-economic development.

This action programme constituted the

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\caption{Location of the EUREGIO}
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main input for the first Operational Programme for the period 1989-1992, funded as pilot project under art. 10 ERDF.\(^4\) When the European Commission in 1990 launched a specific programme to promote cross-border co-operation, INTERREG I, the EUREGIO reacted with the speedy elaboration of a new Operational Programme based on its accumulated experience. With the advent of INTERREG II (1994-1999) and INTERREG III (2001-2008), the EUREGIO had established itself as strong candidate for dealing with all cross-border co-operation (CBC) matters in the area.

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**EUREGIO: socio-economic profile**

Among the four Dutch-German CBRs, the EUREGIO is situated in between the “Ems Dollart Region” in the north, and the “Euregio Rhein-Waal” and the “euregio rhein-maas-nord” in the south. It includes part of the Gelderland, Overijssel and Drenthe provinces on the Dutch side, and parts of the Länder North-Rhine Westphalia and Lower Saxony on the German side. Stretched over 13,000 km\(^2\), the EUREGIO area has a population of approx. 3.2m. The largest urban centres are Enschede (NL), Münster and Osnabrück (D).

The EUREGIO is an old industrial area within a rural setting that formerly specialised in the textile sector. In previous centuries, the populations on both sides of the borders spoke the same language, a Saxon-lower German dialect. The mainly cotton-based industry emerged out of home-based textile production in the second half of the 19\(^{th}\) century, and developed into the main industrial base of areas on both sides of the border. Although the border has remained unchanged since 1648, its impact on the economic structure was increasingly felt only in this century. Until the end of the 19\(^{th}\) century, the area had been characterised by strong functional interdependencies induced by the common industrial structure along the so-called “cotton road”. While in 1960, 21% of the labour force still worked in the textiles sector, today the share has declined to a marginal 4%. Given this situation of industrial decline, parts of the EUREGIO are classified as Objective-2 areas by the European Commission, and most rural areas are classified as Objective-5b areas. The unemployment rate in the area has been consistently above the respective national average; similarly, both the GDP per capita and the value added per employed person are still below average.

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### 3. Conditions of Emergence: the institutional context

The emergence of the EUREGIO rests upon a series of context conditions on the European and national levels. The opportunities provided by the EU (Interreg) apply to

\(^4\) European Regional Development Fund, the major component of EU cohesion policy.
all border areas within the EU and are not specific to the EUREGIO. This means the existence of a European-wide policy to promote CBC cannot explain why there is a concentration of advanced cases in some European areas, such as the German-Dutch border, while in others, such as much of Southern Europe, CBC initiatives are less developed.

Most early Euroregions originated on the western German border, with a particular concentration on the Dutch-German border, and mostly in North Rhine-Westphalia (NRW). This suggests that some particular context conditions prevailed in this geographical area, providing a favourable ground for CBC initiatives.

In the following, two points are made to elucidate these context conditions that apply to these CBC initiatives, and the EUREGIO in particular. The first point is related to the attitude of higher-level public authorities (and implicitly their administrative culture) towards the devolution of cross-border policy matters to the local level. The second point concerns the impact of the administrative systems prevailing in different countries on the possibility of emerging CBC initiatives.

Relating to the first issue, in the case of the EUREGIO, both the Dutch central government and the NRW Land government traditionally adopted a “CBC friendly” attitude towards their border municipalities. This is demonstrated by initiatives and funding opportunities the NRW government provided to border authorities in the areas of spatial planning, socio-cultural policy and economic policy from the 1960s onwards. For instance, in 1970 contacts between German federal ministry of home affairs, NRW and the Dutch ministry of Culture culminated in he “Anholt agreements” where the participants declared their intention to support projects ‘aimed at overcoming the border’ (Bauer, 1985). The Mozer Commission was established, involving the ministries mentioned, the provinces Overijssel and Gelderland as well as the German and Dutch embassies. In 1978, NRW increased its financial contribution to the Mozer Commission when the federal government stopped its payments. Support was provided both for cross-border organisations (‘institutional support’) as well as for single projects.

Similarly, in the field of regional policy, NRW funds were made available for the
elaboration of so-called “regional cross-border action programmes” (Malchus, 1985a: 14-5). The idea of designing such regional development programmes originated in 1976 during the biannual meetings on regional policy between the German and Dutch economics ministries, and the economics ministries of the Länder NRW and Lower Saxony that had been held regularly since 1965 (Becker, 1985: 54). They were also thought to be a conceptual starting point for possible ERDF support measures as the fund had been launched in 1975 (Malchus, 1985a: 15).

Such measures originated from within an administrative culture in NRW that promoted the decentralisation and delegation of policy implementation to the regional and local levels. The “Ruhr”, NRW’s old industrial area dominated by the coal mining and steel sectors, was the first target for such regionally conceived development plans as early as in the late sixties. More recently, such initiatives aimed at the “regionalisation of structural policy” were launched under the headers of “regional conferences” or “future initiatives” (Voelzkow, 1995: 9). In this sense, the EUREGIO collaboration is just a special case of many other types of such local and regional initiatives aimed at improving economic opportunities for defined areas.

On the second point, the impact of administrative systems, it is worth noting that cross-border co-operation along the template developed by the EUREGIO appears to be a predominantly German phenomenon. Many advanced cross-border regions (CBRs) with a strong role of local government involve German participation. How can this be explained? To a large degree, this is due to the strong position of the local level in German public administration, but also the fact that the institutional template of the CBR was “invented” in Germany and enjoys a considerable legitimacy within the federalist German system. This is reflected in the fact that co-operation has been in most cases chronologically preceded or at least accompanied by inter-state co-operation arrangements, such as the intergovernmental commissions.

The institutional factors explaining the predominance of German CBRs with local participation, such as notably the EUREGIO, can be summarised as follows. Of foremost importance is the administrative-institutional context in which the CBRs operate. In the German system, the two-level structure of local authorities – consisting of the municipalities on the one hand and district-type aggregations of municipalities (Kreise) on the other – facilitates collective action among municipalities. This allows the local authorities to collectively engage in strategies that are aimed at enhancing both
their resource position and representation vis-à-vis the higher-level authorities. Similar conditions prevail in Scandinavia where a number of more advanced CBC cases can be found. Municipalities enjoy a considerable degree of autonomy in the Nordic countries and their policy repertoire has long included inter-municipal co-operation (Bergmann-Winberg, 1998).

The dividing line between, on the one hand, Germany and Scandinavia, and countries such as Italy and France, on the other, reflects a typology of local government proposed by Page and Goldsmith (1987). Northern European local government has higher margins of discretion and a broader set of responsibilities, backed up by locally raised resources, compared to Southern European local governments’ lower levels of discretion and responsibilities. It appears that these institutional differences are partly responsible for the ability of local actors to group together and form strategic coalitions across borders.

Put simply, CBC is more likely to be effective in countries with a strong tradition of municipal autonomy. This is re-enforced by a benevolent attitude of higher-level authorities such as districts or regions towards inter-municipal co-operation in general and CBC in particular. One of the deeper reasons behind this is that communal co-operation, even across borders, is often seen as politically unproblematic while co-operation pursued by larger regional authorities is more likely to be politically charged and therefore resisted by central state authorities. An example of such a situation is provided by the case of the Tirol Euroregion, a CBR involving the Austrian Land Tirol and the Italian provinces of South Tyrol and Trentino (Perkmann, 2005a). The formation of the Euroregion has long been hindered by Italian central state authorities fearing that intensified co-operation would provide unwelcome political capital to the German-speaking political elite in South Tyrol, thereby possibly re-enforcing separatist or autonomist tendencies. In Eastern Europe too, central state authorities have tended to keep tight control over EU-funded CBC initiatives with local and regional actors attempting to leverage co-operation to obtain more autonomy.

The lesson from these cases is that CBC is less likely to flourish in politically charged situations, for instance induced by “unjust borders” and divided ethnic minorities, as in the Tyrol case. By contrast, where suitable conditions for pragmatic co-operation and strategy formation on the municipal level prevail, CBC is more likely to be promoted by central state authorities.
4. Organisational Structure and Policies

The EUREGIO is a private-law association according to German law with approx. 130 member local authorities from both German and the Netherlands at the time of writing. A statute defines the tasks and responsibilities transferred to the EUREGIO by the inter-municipal associations and defines its bodies and their duties. This arrangement came into force in 1999 and replaced a more complex previous set-up according to which the EUREGIO was constituted via an agreement between three inter-municipal associations, the German Kommunalgemeinschaft Rhein-Ems and the Dutch regios Twente and Achterhoek. The current set-up reflects the failure in the 1990s to conceive a public-law bracket for the EUREGIO as previously envisaged by its decision-makers, due to fiscal problems related to Dutch personnel to be employed by a prospective public-law body EUREGIO (Bergerat, 2002).

The objective of the EUREGIO mandated by the statute is to promote, support and co-ordinate cross-border co-operation among its members. To this purpose, it is expected to initiate activities, design appropriate projects and raise funds. It also has been given an advisory function for citizens, organisations and authorities in cross-border matters and acts as a cross-border broker between various types of organisations and authorities. Its substantial focus is broadly defined and includes a wide variety of policy fields, from economic development measures, infrastructure, to health and education to municipal services.

The EUREGIO bodies comprise the EUREGIO Council, the Board (Vorstand), a secretariat and a number of “working circles” (Arbeitskreise) in various policy fields. The EUREGIO-Council is a para-parliamentary body with no formal legislative competencies, and is constituted by 82 elected politicians appointed by the member authorities. In the Council, formally the most authoritative among the EUREGIO bodies, issues of general political importance are discussed. The Board is a supervisory board with approx. 20 members, and is composed of elected senior civil servants and political office-bearers of the member authorities. The “working circles”, which are flexibly composed by various expert civil servants from local and supralocal authorities and interest groups, deal with most of the project-oriented work in various policy fields,
such as economic policy, social matters, the environment, culture and tourism, or “daily border problems”. In the cultural field, the “Mozer-Kommission”, named after a former EC director general, plays a special role among the several working circles and has its own budget, funded independently from INTERREG by various regional and national sources from both countries.

As this overview confirms, the EUREGIO is predominantly governed from within the public sector while private or third-sector organisations play no role in deciding over EUREGIO matters. However, a considerable number of the latter type of organisations, including SMEs, interest associations or education establishments, are among the bodies that receive INTERREG contributions for their activities.

The procedural details relating to INTERREG implementation are agreed between the partners via so-called ‘INTERREG agreements.\(^5\) The EUREGIO is given responsibility for

- the general programme and financial management, including the elaboration of the Operational Programme,
- the collection, evaluation and preliminary approval/rejection of project applications and their submission to the SC,
- the co-ordination of the match-funds.

Project proposals are collected by the secretariat where a first preselection is made based on the basis of the EUREGIO’s own criteria, the general INTERREG requirements and the prevailing legislation for the territories of the member authorities. The EUREGIO criteria require all projects to have a genuine cross-border character in substantial, organisational, personal and financial respects. As the relevant agreement states, projects must relate to a “Euregional interest”, linked to a structural and socio-economic significance for the region (EUREGIO and Rhein-Ems, 1996: 29).

The approved proposals are submitted to the Steering Committee (SC) which is the highest instance in INTERREG decision-making. As with the other Euroregions on the Dutch-German border, for the EUREGIO a separate SC has been established. Apart

\(^5\) These agreements were concluded for each INTERREG period between the involved higher level Dutch authorities (central state and provinces), the German Länder and the four Dutch-German Euroregions.
from the EUREGIO representatives, the Committee is composed of senior civil servants representing the following authorities: the Dutch ministry for Economics, and the provinces Drenthe, Overijssel and Gelderland on the Dutch side, and the Ministries of Economics of the German Länder NRW and Lower Saxony as well as the Münster and Weser-Ems districts on the German side. The EUREGIO proposes the president of the SC and runs its secretariat. The SC is responsible for final project approval and requires unanimous decision-making whereby each of the authorities mentioned has one vote. It also serves as the Monitoring Committee under EU regulations, involving the Commission and the German federal Ministry of Economics as additional members.

The INTERREG agreements significantly simplify the financial management. For its three Euroregions, the NRW Land administration has accepted the full and sole responsibility vis-à-vis the European Commission for the lawful implementation of the INTERREG OP on behalf of the Dutch central state and Lower Saxony. Its bank, the Investitionsbank Nordrhein-Westfalen (IB), manages the non-local EUREGIO INTERREG funds. All EU and national match-funds, the Dutch contributions included, are paid into a single account. This simplifies the INTERREG-related procedures by allowing the INTERREG subsidies to be paid to the project leaders in a single assignment. The IB concludes private law contracts with the project leaders specifying the details realising the projects, replacing up to eight public law assignments from up to eight different authorities. The IB also audits the funds on behalf of all interested parties. To simplify the programme implementation within its own administrative realm, the NRW has established a single INTERREG budget comprehending all match-funds from different ministries. Due to these streamlined procedures, projects are in general approved within three to six months (Deloitte and Touche, 1998: 22).

As for the substantive content for the INTERREG measures, the INTERREG agreements generally define six policy priority areas. Within this general framework, the EUREGIO autonomously determine the priorities within its own Operational Programme. For the period 2001-2008, it controls approx. EUR 49m INTERREG-related funds which are complemented by national, regional and local funds to form a total budget of EUR 111m. This amounts to an annual expenditure of approx. EUR 4.3 per capita. The largest share of the funds is dedicated to the areas of economic policy, in particular technology and innovation policy.
Compared to earlier INTERREG programmes, the share of means dedicated to technology and innovation policy has been significantly increased. This reflects the attempts by the European Commission and the member states to streamline the INTERREG programme in line with the Lisbon Agenda to make the European Union economies more competitive. The Lisbon Agenda defines technology and innovation policies as one of the pillars of long-term competitiveness policies.

As a result of this focus on the knowledge economy, a number of universities and other higher education establishments as well as research centres are among the recipients of INTERREG funding. During the INTERREG II period, universities and other higher education organisations accounted for a total of 28% of the total EU expenditure spent on 12 projects; this share will presumably be higher for the INTERREG III period. Examples of activities pursued in this area include a project to establish a biotechnology support network, run jointly by the Universities of Münster and Groningen at a total cost of approx EUR 7.3m.

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Figures indicate EU contributions only (Source: EUREGIO).

In addition to the INTERREG-funded activities, the EUREGIO has attracted funds from other EU and national sources. For instance, the secretariat successfully bid
for pilot-projects from various Directorate Generals of the European Commission in the late 1990s. The EUREGIO is currently in charge of a “EURES-T” unit concerned with the facilitation of cross-border market flows, funded by Directorate General 5 and a European Consumer Advice Centre, part of a network of centres across Europe. For some time, it also ran a ‘Euro-Info-Center’ for SMEs as part of a network of more than 200 centres throughout the EU.

By diversifying its portfolio of activities and funding sources, the EUREGIO organisation sought to avoid overdependence on INTERREG although this programme and related match-funding still constitute four fifths of overall income and has more recently increased. Nevertheless, the secretariat today operates a range of activities that strengthen its profile as cross-border regional advice and citizen’s service centre. For instance, including the contacts in the context of the various European pilot projects mentioned above, the secretariat is contacted by approx. 20,000 citizens a year. The EUREGIO also runs secretariats for a range of third bodies and associations, as, for instance, for the INTERREG Steering and Monitoring Committees, the Mozer-Kommission, a social-economic advisory body involving trade unions and business associations, the “Arnhem-Overleg” as well as for the Association of European Border Regions.

5. Decision-making and implementation structures: the governance of the EUREGIO

Cross-border regions represent a specific challenge within public sector governance due to their atypical, non-nested territorial set-up: As their constituent parts – municipalities, districts and other subnational jurisdictions – belong to different nation states, they do not operate in a conventional context of public administration defined by legal competencies and decision-making mechanisms rooted in public law. Though they might be interpreted as incipient new “scales” of territorial organisation (Perkmann, 2006), CBRs do not have “governments” but rely on voluntary co-operation within a context of pragmatically defined and mutually recognised set of rules. For a long time,

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6 The Arnhem-Overleg is a forum of all Belgian-Dutch-German Euroregions.
they have operated outside public law and resorted to civil law arrangements (Beyerlin, 1998) and in view of the difficulties this is not expected to change. They can therefore be seen as exemplary for a type of public agency that has been described as “governance” by authors in regional and urban studies, political science and organisational studies (Jessop, 1998; Le Galès, 1998). In various forms, the principle of governance – often contrasted to government – has widely been connected to the operation of networks among parties willing to co-operate in the absence of a hierarchical instance (Messner, 1997; Hanf and O’Toole, 1992).

For these reasons, the EUREGIO’s decision-making processes are more complex than suggested by its organisational set-up. As an organisation, the EUREGIO operates within a context of network relationships both on the local and supralocal level that is typical for many European CBRs. These two network realms can be characterised as “horizontal” and “vertical” networks, respectively. While the horizontal network concerns the collaboration and co-ordination with the local member authorities and project grant holders, the vertical network is related to the governance and monitoring of INTERREG implementation where higher level authorities (i.e. federal government, regional government) and the European Commission play an important role.

In the EUREGIO, networked governance can therefore be discussed in relation to three levels: (a) the EUREGIO secretariat; (b) a horizontal border-crossing network of local authorities; (c) a vertical, “multi-level” network of authorities including local, regional, Land, central state and EU actors.

5.1 The EUREGIO as organisation

From an organisational viewpoint, the nodal point of the EUREGIO is the secretariat, which over the last forty years has developed into an organisation with a high degree of specialist competence. The secretariat has no constitutionally instituted competencies nor does it have any guaranteed income streams. At the same time, its mandate is relatively undefined. This enables the secretariat to act in an entrepreneurial fashion as long as it has the backing of the member authorities. This relative discretion in defining and expanding its tasks has been widely used by the EUREGIO secretariat.

This is reflected in its success in generating a stable resource flow to maintain its operations. Unlike other Euroregions, the secretariat always sought to avoid
overdependence on the mostly temporary resources provided by non-local authorities. As a result, the EUREGIO disposes over a considerable income from sources not related to Interreg, notably from a membership fee charged to the member authorities, approx. EUR .30 per inhabitant in 2005. The proceeds from the membership fee enable the EUREGIO to pay its overheads out of its own budget. The secretariat proved successful in raising project-related funding long before INTERREG was launched. In most cases, local funds were complemented by contributions from NRW and the European Commission. As mentioned above, more recently, the secretariat also successfully bid for pilot-projects from various DGs of the European Commission. As a result, today the secretariat operates a range of activities that strengthen its profile as cross-border regional advice and citizen’s service centre.

The development of a strong organisational basis – enabled by a steadily increasing resource flow – was crucial for providing the local actors with access to INTERREG implementation. In the 1980s, the member municipalities agreed to increase their financial contribution in the expectation that this would help to secure a substantial local impact on the allocation of future European funding. The EUREGIO grasped a strategic opportunity when it was still undecided whether a large-scale CBC support programme would be launched.

The result was that when INTERREG was finally launched, with 15 staff members the EUREGIO secretariat was the natural candidate for programme management.\(^7\) It had positioned itself as the strategy unit responsible for a range of tasks no other organisation could deal with, becoming the undisputed agency for “mobilising the region”.

Based on its expertise and local connectedness, the secretariat exerts considerable informal influence upon EU programme implementation, for several reasons: First, by acting as a project animator, it ensures that all available funds are effectively allocated. Secondly, it has made itself indispensable as a network broker. For genuine cross-border projects, project applicants need partners on the other side of the border; the relevant contacts are usually established by the secretariat. Thirdly, the

\(^7\) ‘… the EUREGIO was already there, it was obvious that they were going to do the programme management.’ (Senior local authority official).
secretariat uses its administrative expertise to turn initial ideas into project applications ready for submission to the INTERREG Steering Committee.

Concluding, the role of the secretariat doubles as both a network broker, securing ongoing co-operation among the members of the network, and a policy entrepreneur, continuously seeking to introduce policy innovations to widen the role and impact of the EUREGIO (Mintrom, 1997; Roberts and King, 1996; Christopoulous, 2001). (It developed the EUREGIO from a loose network with strong ceremonial elements into a regional policy agency that has assumed the self-defined mandate of transforming the cross-border region into a “central location in North-western Europe” with 20m consumers within 150km (Gabbe, 1985: 95). The secretariat has assumed the role of a “functional government” (Beck, 1997) not on the basis of a strong formal mandate but through a skilful moderation and solidification of the horizontal and vertical policy network structures the EUREGIO is embedded in. These are discussed in the following.

5.2 The local network

Though common rules and obligations have been defined via formalised agreements, as a non-mandatory body, the EUREGIO relies on voluntary co-operation among local authorities. This is co-ordinated via a number of networks across the member authorities, some of which have visible, formalised front-ends. The most important among these is the EUREGIO Board that acts as a supervisory committee and involves senior civil servants and political office-bearers from the most powerful and active member authorities on both sides of the border. In addition, a number of “Working Circles” exist, specialising in single policy areas and involving expert civil servants from local and supralocal authorities and interest groups. They deal with project-oriented work in various policy fields, such as economic policy, social matters, or “daily border problems”.

The most important feature of these relationships is their technocratic nature as the main work load is carried by the expert civil servants. Such technocratic networks are usually more stable than purely “topocratic” networks composed of politicians and tend to be committed to problem-solving as opposed to pure bargaining (Rhodes, 1990; Benz, 1995). This is despite the fact that strategic EUREGIO matters are usually dealt
with personally by the top officials who act more like political generalists and hence ‘topocrats’ representing their constituency.

Decision-making and co-ordination even in technocratic networks can be notoriously difficult, especially when it comes to issues of distribution or even re-distribution (Beck, 1997). In the EUREGIO, conflicts could for instance arise over the geographical distribution of project funding or decisions favouring larger authorities over smaller ones, or urban municipalities over rural ones.

The EUREGIO developed a variety of mechanisms to reduce the conflictuality and complexity of decision-making within the local cross-border networks. With the secretariat playing an active part as a network broker, the EUREGIO developed a set of norms that maintain a usually productive problem-solving climate, for instance a commitment to the “long-term” and a sense of distributional fairness. A balanced distribution of project funding over time (to mitigate limited resources) and across space (to secure commitment) is seen as crucial for unifying particularist interests behind a common objective. There is no explicit or implicit formula for distributing Interreg-support between the two countries or between different constituencies. The secretariat enjoys a strong reputation for allocating funds even-handedly. This is why decision-making on projects is usually non-conflictual and smaller municipalities are discouraged from defecting. A further factor in reducing the complexity of decision-making in networks is a relatively small number of participants (Messner, 1997). In this respect, the municipal associations in the EUREGIO network play a key role by restricting the number of (relevant) participants, while representing the smaller members. At the same time, they are important in securing the commitment of the participating municipalities, even by sometimes paying for their membership. All these structural and processual features of the EUREGIO taken together ensure the relative stability and coherence of this networked governance arrangement over time.

5.3 The vertical network

The vertical, multi-level network involving regional, national and European policy agencies in EUREGIO activities constitute an example of an EU cohesion policy implementation network (Heinelt and Smith, 1996). The supralocal network linkages provide access to a significant amount of resources, complementing the local resources
which are complementary at best. These relationships were established long before the EUREGIO was given its mandate in INTERREG implementation. Its early successes all crucially depended on the support of non-local authorities, in particular the Land NRW, the Dutch government and the European Commission.

As mentioned, the Dutch central government and North Rhine-Westphalia have traditionally adopted a “CBC-friendly” attitude towards their border municipalities. The European Commission had also joined the vertical network as an important catalyst and player as early as in the 1970s, long before INTERREG was launched. In the 1990s, the loose network relationships were consolidated into the INTERREG Steering Committee.

As a result of these developments, the EUREGIO has become an important implementation partner for the European Commission. Due to its expertise and authority in the local context, it enjoys a status that goes beyond its formal position in the vertical network. The EUREGIO is a full member of the Steering Committee and is entitled to propose its chairman. Formally, the Steering Committee is the ultimate instance in the decision-making process on the allocation of INTERREG funds. Practically speaking, however, decisions are rarely imposed on the EUREGIO actors, effectively valuing the professionalism of the secretariat. The interview evidence points to high-trust relationships across the vertical networks, often constituted by long-term working relationships among individuals and high ideological commitment to the CBC cause.

But, apart from such motives created by the social embeddedness of network contacts, for the Dutch and NRW authorities, there is also an administrative rationale for granting relative autonomy to the EUREGIO. A senior NRW official observed: “…you can’t pull projects like a rabbit out of a hat”. As the need to secure the cross-border character of INTERREG projects is taken seriously, the EUREGIO has a crucial role as a project animator to secure the successful allocation of INTERREG funds. The reliance on the EUREGIO is reflected by the fact that the NRW and Dutch ministries do not in general co-ordinate their positions on specific projects prior to SC meetings.

The involvement of the EUREGIO in this vertical network mirrors the general networked set-up of policy implementation in EU regional policy described as multi-level governance (Hooghe, 1996; Benz and Eberlein, 1999). Given the importance of Interreg, the vertical network is also relevant for maintaining the stability of the local
network described above. In fact, the local EUREGIO network operates in the “shadow of hierarchy” cast by the Steering Committee. To avoid rejection of project proposals by the Land or central government, the EUREGIO makes sure that projects have the structural economic impact required by the cohesion policy regulations. The relatively clear criteria for evaluating project proposals simplify the decision-making process by providing rules that can be routinely followed. In case of doubt, the uncertainty-reducing function of these rules is complemented by the “shadow” of authority exerted by the Dutch and NRW governments as well as the European Commission that is channelled through the secretariat and can be used to discipline the members of the local network. Hence, the EUREGIO secretariat performs an interface function by mediating between the network of EUREGIO members and the supranational network crystallised in the Steering Committee. On one hand, the supranational authorities trust in the secretariat’s administrative expertise and its ability to prioritise the “objective” quality of projects over the particularist interests of project applicants. On the other, the local authorities perceive the secretariat as their agent and representative vis-à-vis the higher-level authorities. It can be followed from the high level of interdependence between the local network and the vertical network relationships that the EUREGIO is highly dependent on its integration into the supranational policy framework provided by the EU.

Concluding, the described three-tiered governance structure developed by the EUREGIO provides an arrangement for co-ordinating public agency across national borders that is effective as it can be under the existing administrative and legal limitations.

6. Conclusion and evaluation

The EUREGIO is a cross-border region driven by local authorities and co-ordinated by a relatively independent and resourceful secretariat. This arrangement has proved a success recipe for organisational and policy growth over the last decades. In this concluding section, I address three questions that are of interest for the overall

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evaluation of the EUREGIO and European CBC in general. First, how should we judge the success or otherwise of Euroregions, and the EUREGIO specifically? I propose a number of criteria that can be used for assessing the relative success of CBC initiatives. Second, has the EUREGIO, and the Euroregions in general, generated innovative forms of governance? In this respect, the EUREGIO has indeed had a major impact on the creation of the Euroregion model as a whole; however, to a large extent, this process was also strongly shaped by EU cohesion policy that provided opportunities for the emergence of agencies such as the EUREGIO. Third, what can be said about the impact of the EUREGIO on stimulating local cross-border integration? This question will be addressed with respect to the overall difficulty of assessing CBC impact.

On the first question, if one compares different Euroregions that exist across the European continent, one finds considerable variation (Perkmann, 2003). For many, INTERREG is by far the most important source of funding, raising the question whether these initiatives only exist because this type of resource is available to them. In that case, they would qualify as hardly more than “grant coalitions” (Cochrane, Peck and Tickell, 1996) that disintegrate once the funding stream runs out. Judging from the evidence this might be the case for some but certainly not for all CBRs in Europe. Observers have also pointed out that a certain degree of “entrepreneurial” behaviour can actually indicate an effective empowerment of the regions against their central-state authorities within the context of EU integration (Smyrl, 1997). In this sense, therefore, their ability to mobilise funding could be interpreted as success.

There is a continuum between what can be called “permanent co-operation”, on the one hand, and “instrumental co-operation”, on the other, whereby the latter refers to co-operation arrangements that exist purely for the sake of taking advantage of INTERREG funds. Permanent co-operation, by contrast, would apply to Euroregions that have managed to avoid total dependence on Interreg. In view of the analysis pursued above, the EUREGIO would probably fall into the latter group.

In fact, the EUREGIO and other more developed cases can be seen as successful instances of policy entrepreneurship that managed to establish themselves as trusted implementation partner for the European Commission and central state authorities. Policy entrepreneurs are actors who initiate activities within specific policy areas by taking advantage of windows of opportunity opened up within their policy environment. They are in constant search for possible problems for which they can offer a solution
(Kingdon, 1984; Mintrom and Vergari, 1996). They do this not necessarily for financial profit but to increase the influence of their organisation or organisational unit which is often correlated to their resource basis. There are several criteria that can be used for judging whether a policy entrepreneur (and by implication, a Euroregion) is successful or not. They can be summarised as follows:

- Organisational development: In order to acquire a relative degree of strategic and operational autonomy vis-à-vis the “ordinary” border authorities, successful Euroregions will need to develop an independent organisation with a clear specialisation in CBR matters.

- Diversification of resource base: Euroregions that depend on INTERREG funding risk being reduced to mere implementation agencies for this specific type of EU regional policy. Successful Euroregions can be expected to have more diversified and stable income streams, for instance via membership fees paid by participating authorities or the appropriation of other policy activities relevant for the border space. However, assuming that the availability of EU funding provides selective incentives (Olson, 1965) for municipalities to shoulder the cost of participation in return for INTERREG project funding – which could be indicative for purely ‘instrumental’ participation – it can be postulated that successful Euroregions will attempt to broaden their resource base to consider other, more diversified sources.

- Appropriation of cross-border co-operation activities: Successful Euroregions will establish themselves as important players within the overall context of CBC activities in a given border area as there might be other organisations, such as civil society organisations, pursuing similar objectives. They will consequently play an important role in CBC strategising in their area of influence and be recognised as legitimate and competent by other public authorities.

Applying these criteria, the EUREGIO has to be judged as being among the more successful cases of CBC in Europe. It has developed a strong, independent base, a diversified stream of income (compared to other Euroregions) and a portfolio of various activities that go beyond the mere administration of INTERREG funding.
Has the Euroregion generated innovative forms of governance? The answer is that, on one hand, the EUREGIO must be seen as one of the pioneers driving the development of the Euroregion model in the first place (PERKMANN, 2002). At the same time, however, the innovation consisted mainly in developing an organisational form that would occupy the niche carved out by the EU INTERREG programme. In other words, the organisational form embodied by the EUREGIO represents an answer to the need of the European Commission for regional policy implementation partners that would be able to devise and initiate cross-border projects on a local level.

Therefore, like many Euroregions, the EUREGIO functions as implementation agency for this specific type of EU cohesion policy. The European Commission is a policy-maker that has no proprietary implementation apparatus and it therefore relies on external agents. Within this context, the “partnership principle” ensures that it can retain some control over policy implementation. This is the context where organisations such as the EUREGIO can play an important role. By operating at the cross points between its local (horizontal) network of constituencies and the multi-level (vertical) network related to cohesion policy implementation, the EUREGIO’s organisational form has been carefully crafted to fit into this overall framework of EU cohesion policy. Both networks have demonstrated to be highly stable and robust over time but, eventually, their durability will be tested in case the INTERREG programme will not be renewed in its current form.

This symbiotic relationship between CBC bodies and EU cohesion policy explains why the landscape of European CBC today is dominated by EUREGIO-type initiatives while other models, such as the larger “Working Communities” have been far less successful. Equally, it is worth noting that the more ambitious attempts to devise cross-border regions as public-law bodies have been less successful than envisaged by its promoters, notably the Council of Europe. Legally speaking, as a private-law association, the EUREGIO is only very weakly instituted as a public body yet this does little to hamper its effectiveness. To a large extent, this can be attributed to the role it came to play in the implementation of INTERREG in its area.

On the third point, I discuss the question of the impact of the EUREGIO to date with reference to the discussion as to how CBC can be assessed in more general terms. The impact of CBC policies on their socio-economic environment are notoriously difficult to assess. As required by EU regulations, the EUREGIO has developed a series
of metrics that it uses for assessing the immediate outcome of the Interreg-funded activities. For instance, the evaluation of the EUREGIO INTERREG II programme states that during 174 projects involving almost 800 partner organisations more than 1,700 jobs were either directly or indirectly created or “secured”\(^9\). Also, more than 75% of Interreg-funded projects are said to be continuing after INTERREG funding had run out. These figures have to read against the actual cost of the policy interventions which amounted to approx. EUR 64m, including all EU, national and local funds. This means a cost of more than EUR 36,000 for each maintained or created workplace was incurred. Whether this can be judged as a success, needs to be assessed on a comparative basis with similar structural policy programmes led by the EU and other policy makers and can therefore not be pursued further here.

It is even more difficult to judge the broader impact of CBC within the area concerned. This is because many of the intended impacts of CBC measures will be, on the one hand, intangible and, on the other, effective only over the medium and long term. One possibility is to qualitatively evaluate the achievements of EUREGIO activity over time. Among others, these involved creation of better public transport links across the border, the generation of countless social contacts via project-linked collaboration, efficiency gains via better cross-border access to private and public services and cross-border labour market integration. In view of these achievements, there is no doubt that by promoting and funding these projects, the EUREGIO has done much to accelerate and deepen local cross-border integration.

However, any more systematic impact assessment attempts needs to be carried on a comparative basis across other CBC cases. To date, there has been little research addressing these broader questions of CBC impact. In addition, the few existing studies remain relatively sceptical. Even where Euroregions have existed for decades, these studies find that efforts to intensify cross-border economic contacts have been successful only to a limited degree (Geenhuizen et al., 1996). Research on the Euroregion Maas-Rhine, the Euregio Rhine Maas Nord as well as the Dutch-Belgian Euroregions indicates that the majority of inter-firm linkages are still confined by their

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national economic spaces (Hassink et al., 1995, Houtum 1997). Krätke (1999) provides similar evidence for the German-Polish border area.

Many observers take note of the barriers that prevent cross-border bodies from being effective and efficient governing units acting on behalf of cross-border units as a whole (that is, “cross-border regions”). Beck’s analysis suggests that the way Euroregions are organized, as transnational policy networks, does not constitute an efficacious governance mechanism to address distributive or even re-distributive issues (Beck 1997). He also argues that the participating actors are strongly oriented towards their own territorial and organizational interests. From a more policy-oriented perspective, it has been suggested that Euroregions are hardly a good means of coordinating economic development strategies for a cross-border space (Liberda, 1996). This is even truer for Euroregions on the external EU border (SCOTT, 1998). Church and Reid (1999), students of Franco-British cross-Channel co-operation, have pointed to the volatile and ad-hoc character of many attempts to devise coherent cross-border strategies. They point out that the “lack of genuine co-operation”, mostly due to unilateral use of supposedly co-operative funds and proliferation of short-term funding coalitions, fails to induce any genuine political identity based on “cross-border regiones” (Church and Reid, 1999: 654).

Compared to the sceptical tone of these assessments, the EUREGIO fares relatively well. The independence the secretariat achieved versus the member authorities means that Interreg-funded projects in the EUREGIO are likely to be more “cross-border” in nature than in case where no such cross-border agency exists. The EUREGIO secretariat has developed a self-interest in cross-border matters that – in conjunction with a high level of experience and expertise – guarantee it will more likely represent the interests of the cross-border space as a whole rather than of single participating public authorities. At least procedurally, the EUREGIO can therefore be seen as well equipped for promoting integration with in the local cross-border space it occupies.

Concluding, the fact that the EUREGIO, like most CBRs in Europe, is highly dependent on EU cohesion policy support via the INTERREG programme, is both blessing and curse. On one hand, INTERREG and previous EU support has provided the opportunity for the EUREGIO to consolidate its achievements and establish an important role for itself within the public sector administration in the Dutch-German
border area. On the other, the dependence on INTERREG puts significant limits on its discretion over priorities and activities. These limits are exemplified by the tensions over the policy priorities relating to INTERREG IV, the successor programme for INTERREG III from 2008 onwards. While the preference of the EUREGIO and its local members is to run a broad-based portfolio of activities across all “spheres of life”, the Dutch government would like to see a stronger focus on specialised technology and innovation measures in pursuit of the Lisbon Agenda. In this situation, it has to be acknowledged, the existence of the EUREGIO as an established cross-border centre of competence will make a difference by enhancing the bargaining power and influence of the local partners on the general direction of INTERREG implementation.
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**Abbreviations**

CBC: Cross-border co-operation  
CBR: Cross-border region  
NRW: North Rhine-Westphalia  
ERDF: European Regional Development Fund  
SC: Steering Committee  
AEBR: Association of European Border Regions